GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2364
ANSWERED ON:15.03.2007
SUBSIDY ON LPG AND KEROSENE
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) subsidy given by the Government/OMCs on petroleum products, product-wise;

(b) whether the Union Government had prepared a policy to phase out subsidies on LPG and Kerosene;

(c) if so, the details thereof;

(d) whether this policy has been implemented;

(e) if not, the reasons therefor;

(f) whether the subsidy on domestic cooking gas and kerosene supplied to under public distribution system was extended; and

(g) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a): The subsidy given by the Government and public sector oil marketing companies (OMCs) on LPG Domestic and PDS kerosene and for the current year i.e. 2006-07(Apr-Dec`06) is given below

LPG (Domestic)
Per Unit Subsidy (Rs./Cyl.)

	From Govt. Budget	By Oil Companies	Total
2006-07 (Apr-Dec`06) (Estimated)	22.58	154.51	177.09

PDS Kerosene
Per Unit Subsidy (Rs./Litre)

	From Govt. Budget	By Oil Companies	Total
2006-07 (Apr-Dec`06) (Estimated)	0.82	15.95	16.77

Gross under-recoveries without considering refinery discount, oil bonds and upstream assistance.

(b)to(g): Government is administering the PDS Kerosene and Domestic LPG Subsidy Scheme, 2002 through which the public sector oil marketing companies (OMCs) are being paid subsidy currently at 1/3rd level of 2002-03 at a flat rate from the Union Budget. The subsidy from Government has been frozen at the current level and is to be phased out in 2006-07. The issue of further continuation of the Scheme is under the consideration of the Government.